

DEPARTMENT OF DEVELOPMENTAL SERVICES

1600 NINTH STREET, Room 320, MS 3-9
SACRAMENTO, CA 95814
TDD 654-2054 (For the Hearing Impaired)
(916) 654-1958



April 18, 2007

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: MINIMUM WAGE INCREASE

Effective January 1, 2007, the minimum wage in California was increased from \$6.75 to \$7.50 per hour. Title 17 regulations allow Community-Based Day Programs (CBDP) to submit unanticipated rate adjustment requests due to this increase. Vendors must submit their requests to the Department of Developmental Services (Department), with a copy to the vendoring regional center, postmarked no later than 30 days from the date of this letter. All requests should be sent to the following address:

John Mendoza, Chief
Community Rate Section
Department of Developmental Services
1600 Ninth Street, Room 310, MS 3-21
Sacramento, California 95814

For the purposes of this increase only, the Department is accepting unanticipated rate adjustment requests from CBDP vendors, regardless of whether they have a permanent or temporary rate. Additionally, the Department is accepting unanticipated rate adjustment requests from Work Activity Programs (WAP).

To request an unanticipated rate adjustment, vendors must submit to the Department documentation that will justify the request. For CBDP and WAP vendors, only those costs necessary to increase an employee's actual hourly wage to the new \$7.50 per hour minimum wage rate and associated mandated employer costs (Social Security, Medicare, federal unemployment, state unemployment, and workers' compensation) will be considered in adjusting the service rate. Vendors should submit actual employment and benefit cost information for affected employees only and total program units of service provided for the period of January 1, 2006, through December 31, 2006.

The Department will provide regional centers a courtesy copy of each letter sent to a service provider in response to a request for an unanticipated rate adjustment.

"Building Partnerships, Supporting Choices"

Regional Executive Directors
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Vendors of supported living services (SLS) who pay minimum wage to employees are also eligible for a minimum wage rate adjustment. Since SLS rates are negotiated between the regional center and the provider, the Department has no mechanism for reviewing and adjusting these rates. Consequently, necessary rate adjustments for impacted SLS providers must be negotiated between the vendor and regional center as soon as possible. Any adjustments are to be negotiated and reported to the Department by May 30, 2007.

Regional centers must provide the Department, in writing, the name of the SLS vendor, the current year fiscal impact and budget year impact. The data and information upon which the rate is determined shall be maintained by the regional center. Please send this information to John Mendoza, at the address above. This information will be used for determining regional center's contract allocations relative to the minimum wage impact.

Under separate cover, the Department will send out the updated rates, effective January 1, 2007, for respite services, out-of-home respite facilities and family member voucher respite services. The Department is revising the rates for In-Home Respite Agencies (IHRA) and will provide regional centers courtesy copies of the Department's revised rate letters to IHRAs. The Alternative Residential Model Rate (ARM) chart has been updated to reflect the impact of the minimum wage increase and is enclosed.

If you have any questions regarding this letter, please contact John Mendoza, Chief, Community Rate Section, at (916) 654-1961.

Sincerely,

Original signed by

RITA WALKER
Deputy Director
Community Operations Division

Enclosure

cc: See attached list

DEPARTMENT OF DEVELOPMENTAL SERVICES
COMMUNITY CARE FACILITY RATES
EFFECTIVE JANUARY 1, 2007

Service Level	Monthly Payment Rate Per Consumer Effective 1/01/2007 ¹²
1	\$916
2-Owner	\$1,810
2-Staff	\$2,034
3-Owner	\$2,080
3-Staff	\$2,372
4A	\$2,941
4B	\$3,134
4C	\$3,326
4D	\$3,567
4E	\$3,825
4F	\$4,082
4G	\$4,386
4H	\$4,707
4I	\$5,159

¹ Includes the SSI pass through effective January 1, 2007.

² Revised 4/12/07 to reflect impact of minimum wage increase for Level 2 & 3 CCFs.